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Report on the implementation of South-South cooperation*

Introduction

1. The present report has been prepared by the Special Unit for South-South Cooperation to elaborate on the goals of South-South cooperation as requested by the Board at its first regular session in January 2004.[1] It may be worth noting that the Special Unit is in the process of formulating the third cooperation framework for South-South cooperation (2005-2007), for submission to the Board at its second regular session in September 2004. This report is not intended to be exhaustive, but a brief overview designed to elicit ideas and guidance from the Board prior to finalizing the forthcoming cooperation framework. The paper also highlights opportunities for enhancing South-South cooperation based on previous lessons learned and recommendations made to the Special Unit in recent months.

The broad goals of South-South cooperation

2. South-South cooperation involves interaction between two or more developing countries that pursue their individual or collective development goals through cooperative exchanges of knowledge, skills, resources and technical know-how. Support to South-South exchanges by UNDP and the United Nations system in general dates back to the 1970s following the adoption of the Buenos Aires Plan of Action at the United Nations Conference on Technical Cooperation among Developing Countries (TCDC). Many resolutions and decisions have since been

[1] The High-level Committee on the Review of South-South Cooperation decided in its decision 13/1 to change the name of the Special Unit for Technical Cooperation Among Developing Countries to the Special Unit for South-South Cooperation. Likewise, in its resolution 58/220, the General Assembly, endorsing the decision by the High-level Committee, decided to change the name of the committee to the High-level Committee on the Review of South-South Cooperation.

*The collection of data required to present the Executive Board with the most current information has delayed submission of the present document.

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adopted on the subject by the General Assembly, the Economic and Social Council, the High-level Committee on the Review of South-South Cooperation and the Executive Board in, for example, its decisions 2001/2 and 2003/10. They stipulate broad policy goals pursued by UNDP through the cooperation frameworks in order to complement international cooperation for development with a wide range of South-to-South collaborative arrangements. The same resolutions and decisions guide South-South initiatives carried out by Member States and organizations of the United Nations system subject to periodic monitoring by the Special Unit whose findings it reports to intergovernmental governing bodies. The Special Unit prepares biannual reports by the Secretary-General on the state of South-South cooperation for submission to the General Assembly. The Unit also prepares biannual reports by the UNDP Administrator for submission to the High-level Committee.

3. The factors motivating developing contries to seek concerted solutions to their development challenges have varied over time. In recent years, however, emphasis on South-South cooperation has coincided with a recognized need for interdependence among countries of the South as a strategy to harness the opportunities presented by globalization and to minimize attendant risks. A number of countries in the South that have successfully and rapidly reduced poverty, raised life expectancy and increased the rate of economic growth present significant shareable skills, knowledge and experience, constituting another rationale for promoting South-South exchanges. In this context, South-South initiatives are viewed as learning processes that highlight proven development paths in achieving poverty reduction and other Millennium Development Goals.

4. Traditional donors increasingly support South-South initiatives by joining two or more developing countries to form triangular partnerships that place financial, technological and other supportive resources behind programmes conceived, designed and managed by countries of the South. Triangular cooperation also finds expression in donor-sponsored training programmes that utilize institutions and experts in the more advanced developing countries for the benefit of less developed countries.

Lessons learned in promoting South-South cooperation

5. Important lessons on progress and drawbacks in South-South cooperation are discernable in regular reports of the Secretary-General and the Administrator submitted to the General Assembly and the High-level Committee on the Review of South-South Cooperation. Such reports indicate that developing countries are placing renewed emphasis on South-South cooperation in efforts to reduce growing gaps between rich and poor countries. It is envisaged that South-South relations would enable countries not benefiting from globalization to learn winning strategies through exchange of ideas, resources, skills and knowledge with countries that have successfully adjusted to globalization and raised living standards at unprecedented speed in recent years.

6. The considerable increase in the number of engineers, doctors, teachers and other experts in the South enables United Nations organizations and other development actors increasingly to rely on Southern institutions and expertise in their development projects and programmes. A number of vibrant institutions have been

established by developing countries to coordinate South-South initiatives; trends towards economic integration at regional and subregional levels are augmenting opportunities for South-South exchanges. Interregional exchanges are also on the rise although their pace remains slow. The scope of collaborative initiatives is growing to include a wide range of actors as well as public and private sectors.

7. Despite considerable efforts, implementation of action plans agreed on by developing countries remains slower than desired, resulting in only a limited number of programmes contributing to demonstrable socioeconomic transformation. Improved resource allocation, information sharing and mechanisms for policy and programme coordination are among the solutions needed to harness the full potential of South-South cooperation at national, regional and interregional levels. Therefore, measures to overcome obstacles and scale up the volume of exchanges among developing countries are the prime concern of the Special Unit as it formulates the third cooperation framework for South-South cooperation (2005-2007).

Towards the third cooperation framework

8. The critical challenge ahead is to align South-South cooperation to the realities of the 21st century in terms of harnessing the reservoir of intellectual capital and technological advances accumulated by a number of developing countries in recent years. Additionally, various international alliances that have been formed present opportunities for more effective collaborative initiatives in the years ahead. By contrast, South-South cooperation in the past consisted of efforts to share scarce technical know-how among countries short on teachers, doctors, lawyers, engineers and other experts badly needed for development. The lack of varied, diverse trade baskets between countries in the South also hindered substantial flows of South-South trade.

9. Today, there are real prospects for a new phase of South-South cooperation premised on the convergence of Southern solutions embedded in people, technology, alliances and the forces of globalization. The main thrust of the third cooperation framework that UNDP is formulating, therefore, hinges on marshalling South-South efforts towards the overarching objective of meeting the Millennium Development Goals. To this end, the cooperation framework aims to harness: (a) highly qualified individuals with cutting-edge knowledge in science and technolgy; (b) the knowledge assets of countries that have attained high rates of economic growth during the 1990s; (c) the experience gained in poverty reduction; (d) and the achievement of momentous socioeconomic transformation through effective market reforms, the capacity to attract foreign direct investment, increased experience in public and private sector management, and improved know-how in the provision of social services such as education and health.

10. The Special Unit is also looking for ways to spur the emulation of developing countries that have successfully equipped themselves with new information and communications technology, empowering societies to discover ingenious solutions to old problems. It is envisaged that the new approach to South-South cooperation would include on-line collaboration to create knowledge-based jobs, and people-to-people alliances networking to reduce poverty, eradicate deadly diseases and improve living standards in communities across the South.

11. The capacity to adapt new technologies to the pressing development needs in the South is another area of priority being considered for inclusion in future South-South programming. Many shareable experiences exist on using the Internet to provide distance learning, share information on farming techniques, micro-credit management, and many other issues of interest to poor communities in the developing world.

12. A number of developing countries that have acquired the capacity to invent are producing innovations that are fashioned to address problems specific to the South. This opens up another programming area that could beneficially address the so-called "diseases of the poor" such as malaria, tuberculosis, tetanous, elephantitis and other maladies that are prevelent in the tropics. Because many HIV/AIDS patients die from opportunistic diseases such tuberculosis, South-South initiatives to combat the dieseases of the poor would contribute greatly to the Millennium Development Goal of combating HIV/AIDS.

13. Based on its prior experience in organizing Africa-Asia business forums that bring together entrepreneurs from the two regions to work out arrangements for trade and joint ventures, the Special Unit aims to emphasize private sector development further in its future programming. A major component of the third cooperation framework is to focus on supporting the development of small and medium enterprises (SMEs) in the South with the objective of creating jobs, reducing poverty and meeting other internationally agreed development goals, including those in the Millennium Declaration. The programme will also seek to boost flows of South-South trade and other interregional exchanges through collaboration with the African Union and other groupings working towards regional and subregional economic integration.

14. To overcome its resource limitations, the Special Unit has recently sought to forge new and larger coalitions among the more advanced developing countries. Several meetings have been held to consult with countries that play a pivotal role in South-South cooperation in order to seek their views on how to proceed in harnessing the intellectual assets, technologies and coalitions towards more rubust South-South exchanges. At the first such meetings held in Hangzouh, China in November 2003, representatives of pivotal countries requested the Special Unit to facilitate the formation of groups of pivotal countries that together would act as "prime movers" in formulating and implementing joint programmes to share their expertise and technological know-how with less developed countries in area of critical need such as HIV/AIDs, trade and investment, and information and communications technology.

15. At a second meeting held in Marrakech, Morocco, in December 2003, representatives of pivotal countries, including Brazil, China, India, South Africa, Thailand, and many others, reiterated their wish to collaborate in the formulation of strategic programmes to assist other developing countries. The Special Unit was charged with the responsibility of approaching pivotal countries individually, seeking their views on areas where they wish to play a lead role. At recent meetings with officials in India, Thailand, and Malaysia, the three pivotal countries have indicated their willingness to team up with other pivotal countries to share knowledge and experience on issues where they have considerable know-how, such as HIV/AIDS and the development of small and medium enterprises. There are thus plans to hold further meetings with pivotal countries in Africa, the Arab States

region, Asia and the Pacific, and Latin America and the Caribbean at which concrete actions will be discussed.

16. Against this background, it is envisaged that the work of the Special Unit in sharing development solutions embedded in people, technology and alliances is likely to be anchored in activities spearheaded by partnerships consisting of groups of pivotal countries that have shareable, proven policies and practices. It is also hoped that the deliberations of the Executive Board at the present session will contribute to the formulation of the third cooperation framework for South-South cooperation (2005-2007), which will be submitted to the Board at its second regular session in September 2004.